



General Assembly

**Amendment**

*June Special Session, 2007*

LCO No. 9937

**\*SB0150109937SD0\***

Offered by:

SEN. WILLIAMS, 29<sup>th</sup> Dist.

REP. AMANN, 118<sup>th</sup> Dist.

To: Senate Bill No. 1501

File No.

Cal. No.

**"AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND FOR TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective October 1, 2008*) For the purposes of  
4 sections 501 to 547, inclusive, of this act:

5 (1) "Best value selection" means a contract selection process in which  
6 the award of a contract is based on a combination of quality, timeliness  
7 and cost factors;

8 (2) "Bid" means an offer, submitted in response to an invitation to  
9 bid, to furnish supplies, materials, equipment, construction or  
10 contractual services to a state contracting agency under prescribed  
11 conditions at a stated price;

12 (3) "Bidder" means a business submitting a bid in response to an

13 invitation to bid by a state contracting agency;

14 (4) "Business" means any individual or sole proprietorship,  
15 partnership, firm, corporation, trust, limited liability company, limited  
16 liability partnership, joint stock company, joint venture, association or  
17 other legal entity through which business for profit or not-for-profit is  
18 conducted;

19 (5) "Competitive bidding" means the submission of prices by a  
20 business competing for a contract to provide supplies, materials,  
21 equipment or contractual services to a state contracting agency, under  
22 a procedure in which the contracting authority does not negotiate  
23 prices, as set forth in statutes and regulations concerning procurement;

24 (6) "Consultant" means (A) any architect, professional engineer,  
25 landscape architect, land surveyor, accountant, interior designer,  
26 environmental professional or construction administrator, who is  
27 registered or licensed to practice such person's profession in  
28 accordance with the applicable provisions of the general statutes, (B)  
29 any planner or any environmental, management or financial specialist,  
30 or (C) any person who performs professional work in areas including,  
31 but not limited to, educational services, medical services, information  
32 technology and real estate appraisal;

33 (7) "Consultant services" means those professional services rendered  
34 by a consultant and any incidental services that a consultant and those  
35 in the consultant's employ are authorized to perform;

36 (8) "Contract" or "state contract" means an agreement or a  
37 combination or series of agreements between a state contracting  
38 agency or quasi-public agency and a business for:

39 (A) A project for the construction, reconstruction, alteration,  
40 remodeling, repair or demolition of any public building, public work,  
41 mass transit, rail station, parking garage, rail track or airport;

42 (B) Services, including, but not limited to, consultant and

43 professional services;

44 (C) The acquisition or disposition of personal property;

45 (D) The provision of goods and services, including, but not limited  
46 to, the use of purchase of services contracts and personal service  
47 agreements;

48 (E) The provision of information technology, state agency  
49 information system or telecommunication system facilities, equipment  
50 or services;

51 (F) A lease; or

52 (G) A licensing agreement;

53 "Contract" or "state contract" does not include a contract between a  
54 state agency or a quasi-public agency and a political subdivision of the  
55 state;

56 (9) "Term contract" means the agreement reached when the state  
57 accepts a bid or proposal to furnish supplies, materials, equipment or  
58 contractual services at a stated price for a specific period of time in  
59 response to an invitation to bid;

60 (10) "Contract risk assessment" means (A) the identification and  
61 evaluation of loss exposures and risks, including, but not limited to,  
62 business and legal risks associated with the contracting process and  
63 the contracted goods and services, and (B) the identification,  
64 evaluation and implementation of measures available to minimize  
65 potential loss exposures and risks;

66 (11) "Contractor" means any business that is awarded, or is a  
67 subcontractor under, a contract or an amendment to a contract with a  
68 state contracting agency under statutes and regulations concerning  
69 procurement, including, but not limited to, a small contractor, minority  
70 business enterprise, an individual with a disability, as defined in  
71 section 4a-60 of the general statutes or an organization providing

72 products and services by persons with disabilities;

73 (12) "Contractual services" means the furnishing of labor by a  
74 contractor, not involving the delivery of a specific end product other  
75 than reports, which are merely incidental to the required performance  
76 and includes any and all laundry and cleaning service, pest control  
77 service, janitorial service, security service, the rental and repair, or  
78 maintenance, of equipment, machinery and other state-owned  
79 personal property, advertising and photostating, mimeographing,  
80 human services and other service arrangements where the services are  
81 provided by persons other than state employees. "Contractual services"  
82 includes the design, development and implementation of technology,  
83 communications or telecommunications systems or the infrastructure  
84 pertaining thereto, including hardware and software and services for  
85 which a contractor is conferred a benefit by the state, whether or not  
86 compensated by the state. "Contractual services" does not include  
87 employment agreements, collective bargaining agreements or  
88 professional services;

89 (13) "Data" means recorded information, regardless of form or  
90 characteristic;

91 (14) "Vote of two-thirds of the members of the board present and  
92 voting" means a vote by the State Contracting Standards Board that is  
93 agreed upon by two-thirds of the members of the State Contracting  
94 Standards Board present and voting for a particular purpose and that  
95 includes the vote of one member of the board appointed by a  
96 legislative leader;

97 (15) "Electronic" means electrical, digital, magnetic, optical,  
98 electromagnetic, or any other similar technology;

99 (16) "Emergency procurement" means procurement by a state  
100 contracting agency, quasi-public agency, as defined in section 1-120 of  
101 the general statutes, judicial department or constituent unit of higher  
102 education that is made necessary by a sudden, unexpected occurrence  
103 that poses a clear and imminent danger to public safety or requires

104 immediate action to prevent or mitigate the loss or impairment of life,  
105 health, property or essential public services or in response to a court  
106 order, settlement agreement or other similar legal judgment;

107 (17) "Equipment" means personal property of a durable nature that  
108 retains its identity throughout its useful life;

109 (18) "Materials" means items required to perform a function or used  
110 in a manufacturing process, particularly those incorporated into an  
111 end product or consumed in its manufacture;

112 (19) "Nonprofit agency" means any organization that is not a for-  
113 profit business under 501 of the Internal Revenue Code of 1986, or any  
114 subsequent corresponding internal revenue code of the United States,  
115 as from time to time amended;

116 (20) "Professional services" means any type of service to the public  
117 that requires that members of a profession rendering such service  
118 obtain a license or other legal authorization as a condition precedent to  
119 the rendition thereof, including, but not limited to, the professional  
120 services of architects, professional engineers, or jointly by architects  
121 and professional engineers, landscape architects, certified public  
122 accountants and public accountants, land surveyors, attorneys-at-law,  
123 psychologists, licensed marital and family therapists, licensed  
124 professional counselors and licensed clinical social workers as well as  
125 such other professional services described in section 33-182a of the  
126 general statutes;

127 (21) "Privatization contract" means an agreement or series of  
128 agreements between a state contracting agency and a person or entity  
129 in which such person or entity agrees to provide services that are  
130 substantially similar to and in lieu of services provided, in whole or in  
131 part, by state employees, other than contracts with a nonprofit agency,  
132 which are in effect as of the effective date of this section and which  
133 through a renewal, modification, extension or rebidding of contracts  
134 continue to be provided by a nonprofit agency;

135 (22) "Procurement" means contracting for, buying, purchasing,  
136 renting, leasing or otherwise acquiring or disposing of, any supplies,  
137 services, including but not limited to, contracts for purchase of services  
138 and personal service agreements, interest in real property, or  
139 construction, and includes all government functions that relate to such  
140 activities, including best value selection and qualification based  
141 selection;

142 (23) "Proposer" means a business submitting a proposal to a state  
143 contracting agency in response to a request for proposals or other  
144 competitive sealed proposal;

145 (24) "Public record" means a public record, as defined in section 1-  
146 200 of the general statutes;

147 (25) "Qualification based selection" means a contract selection  
148 process in which the award of a contract is primarily based on an  
149 assessment of contractor qualifications and on the negotiation of a fair  
150 and reasonable price;

151 (26) "Regulation" means regulation, as defined in section 4-166 of  
152 the general statutes;

153 (27) "Request for proposals" means all documents, whether attached  
154 or incorporated by reference, utilized for soliciting proposals;

155 (28) "State contracting agency" means any executive branch agency,  
156 board, commission, department, office, institution or council. "State  
157 contracting agency" does not include the Judicial Branch, the  
158 Legislative Branch, the offices of the Secretary of the State, the State  
159 Comptroller, the Attorney General, the State Treasurer, with respect to  
160 their constitutional functions, or any state agency with respect to  
161 contracts specific to the constitutional and statutory functions of the  
162 office of the State Treasurer. For the purposes of section 516 of this act,  
163 state contracting agency includes any constituent unit of the state  
164 system of higher education;

165 (29) "Subcontractor" means a subcontractor of a contractor for work  
166 under a contract or an amendment to a contract;

167 (30) "Supplies" means any and all articles of personal property,  
168 including, but not limited to, equipment, materials, printing, insurance  
169 and leases of real property, excluding land or a permanent interest in  
170 land furnished to or used by any state agency;

171 (31) "Infrastructure facility" means a building, structure or network  
172 of buildings, structures, pipes, controls and equipment that provide  
173 transportation, utilities, public education or public safety services.  
174 Infrastructure facility includes government office buildings, public  
175 schools, jails, water treatment plants, distribution systems and  
176 pumping stations, waste water treatment plants, collections systems  
177 and pumping stations, solid waste disposal plants, incinerators,  
178 landfills, and related facilities, public roads and streets, highways,  
179 public parking facilities, public transportation systems, terminals and  
180 rolling stock, rail, air and water port structures, terminals and  
181 equipment; and

182 (32) "State employee" means state employee, as defined in section 5-  
183 154 of the general statutes and, for purposes of section 516 of this act,  
184 state employee includes an employee of any state contracting agency.

185 Sec. 502. (NEW) (*Effective from passage*) (a) There is established a  
186 State Contracting Standards Board that shall consist of fourteen  
187 members appointed as follows: Eight members by the Governor, two  
188 members by the speaker of the House of Representatives, two  
189 members by the president pro tempore of the Senate, one member by  
190 the majority leader of the Senate and one member by the majority  
191 leader of the House of Representatives. In the event that the party of  
192 the Governor also controls both houses of the General Assembly, the  
193 board shall be appointed as follows: Eight members by the Governor,  
194 one member by the president pro tempore of the Senate, one member  
195 by the speaker of the House of Representatives, one member by the  
196 majority leader of the Senate, one member of the majority leader of the

197 House of Representatives, one member by the minority leader of the  
198 Senate and one member by the minority leader of the House of  
199 Representatives.

200 (b) Each member shall have demonstrated sufficient knowledge by  
201 education, training or experience in one or more of the following  
202 enumerated areas: (1) Procurement; (2) contract negotiation, selection  
203 and drafting; (3) contract risk assessment; (4) competitive bidding and  
204 proposal procedures; (5) real estate transactions, including the  
205 purchase, sale and lease of real estate and buildings; (6) building  
206 construction and architecture; (7) business insurance and bonding; (8)  
207 ethics in public contracting; (9) federal and state statutes, procurement  
208 policies and regulations; (10) outsourcing and privatization analysis;  
209 (11) small and minority business enterprise development; (12)  
210 engineering and information technologies; (13) human services and  
211 (14) personnel and labor relations, provided such education, training  
212 or experience was acquired over not less than a continuous five-year  
213 period within the ten-year period preceding such appointment.

214 (c) The chairperson of the board shall be appointed by the  
215 Governor. The terms of the members shall be coterminous with the  
216 terms of the appointing authority for each member and subject to the  
217 provisions of section 4-1a of the general statutes. If any vacancy occurs  
218 on the board, the appointing authority having the power to make the  
219 appointment under the provisions of this section shall appoint a  
220 person in accordance with the provisions of this section.

221 (d) The State Contracting Standards Board shall be an independent  
222 body within the Executive Department.

223 (e) The chairperson of the board and other members of the board  
224 shall be compensated two hundred dollars per diem. No person shall  
225 serve on the board who is a state or municipal employee. No board  
226 member or any spouse, child, stepchild, parent or sibling of such board  
227 member shall be directly involved in any enterprise that does business  
228 with the state.

229 (f) The Governor shall appoint an executive director of the board  
230 who shall serve as an ex-officio, nonvoting member of the board. The  
231 executive director shall be appointed in accordance with the provisions  
232 of section 4-7 of the general statutes and may be removed from office  
233 for reasonable cause, in accordance with chapter 67 of the general  
234 statutes. The board shall, annually, conduct a performance evaluation  
235 of such executive director. The executive director shall report to the  
236 chairperson of the board and, in consultation with the Chief  
237 Procurement Officer, (1) conduct comprehensive planning with respect  
238 to the administrative functions of the board; (2) coordinate the budget  
239 and personnel activities of the board; (3) cause the administrative  
240 organization of the board to be examined with a view to promoting  
241 economy and efficiency; (4) act as the external liaison for the board;  
242 and (5) execute such other duties as may be assigned by the  
243 chairperson of the board or the board, as applicable. The executive  
244 director may enter into such contractual agreements as may be  
245 necessary for the discharge of the director's duties.

246 (g) On or after July 1, 2008, the board shall appoint a Chief  
247 Procurement Officer for a term not to exceed six years. The Chief  
248 Procurement Officer shall report to the board and annually be  
249 evaluated by, and serve at the pleasure of, the board. For  
250 administrative purposes only, the Chief Procurement Officer shall be  
251 supervised by the executive director.

252 (1) The Chief Procurement Officer shall be responsible for carrying  
253 out the policies of the board relating to procurement including, but not  
254 limited to, oversight, investigation, auditing, agency procurement  
255 certification and procurement and project management training and  
256 enforcement of said policies as well as the application of such policies  
257 to the screening and evaluation of current and prospective contractors.  
258 The Chief Procurement Officer may enter into such contractual  
259 agreements as may be necessary for the discharge of the duties as set  
260 forth in this subsection and by the board, including, but not limited to,  
261 recommending best practices and providing operational and  
262 administrative assistance to state agencies determined, by the board, to

263 be in violation of sections 516 to 547, inclusive, of this act.

264 (2) In addition to the duties set forth by the board, the Chief  
265 Procurement Officer shall (A) oversee state contracting agency  
266 compliance with the provisions of statutes and regulations concerning  
267 procurement; (B) monitor and assess the performance of the  
268 procurement duties of each Agency Procurement Officer; (C)  
269 administer the certification system and monitor the level of agency  
270 compliance with the requirements of statutes and regulations  
271 concerning procurement, including, but not limited to, the education  
272 and training, performance and qualifications of Agency Procurement  
273 Officers; (D) review and monitor the procurement processes of each  
274 state contracting agency, quasi-public agencies and institutions of  
275 higher education; and (E) serve as chairperson of the Contracting  
276 Standards Advisory Council and an ex-officio member of the Vendor  
277 and Citizen Advisory Panel.

278 (h) On or after July 1, 2008, the board may contract with consultants  
279 and professionals on a temporary or project by project basis and may  
280 employ, subject to the provisions of chapter 67 of the general statutes,  
281 such employees as may be necessary to carry out the provisions of this  
282 section.

283 (i) The reasonable expenses of the State Contracting Standards  
284 Board and its employees shall be paid from the budget of the board,  
285 upon the approval of the board.

286 (j) No employee of the State Contracting Standards Board shall hold  
287 another state or municipal position. No nonclerical employee of the  
288 board or any spouse, child, stepchild, parent or sibling of such  
289 employee, shall be associated with an enterprise that does business  
290 with the state. For purposes of this subsection, "associated with" means  
291 "business with which he is associated", as defined in section 1-79 of the  
292 general statutes. Each member and employee of the State Contracting  
293 Standards Board shall file, with the board and with the Office of State  
294 Ethics, a statement of financial interests, as described in section 1-83 of

295 the general statutes. Such statement shall be a public record. Such  
296 statements for the preceding calendar year shall be filed with the  
297 Office of State Ethics, as required by law, if such employee or member  
298 held such a position during the preceding calendar year.

299 (k) Any violation of the provisions of subsection (j) of this section  
300 shall constitute a violation of part I of chapter 10 of the general statutes  
301 and may be the subject of a complaint and investigation filed and  
302 conducted in accordance with the provisions of section 1-82 of the  
303 general statutes.

304 (l) The board shall adopt such rules as it deems necessary for the  
305 conduct of its internal affairs, in accordance with section 4-167 of the  
306 general statutes, including, but not limited to, rules of procedure for  
307 any audit undertaken pursuant to section 506 of this act.

308 (m) Eight members of the board, including not less than one  
309 member appointed by a legislative leader, shall constitute a quorum  
310 which shall be required for the transaction of business by the board.

311 Sec. 503. (NEW) (*Effective October 1, 2008*) (a) All rights, powers,  
312 duties, and authority relating to the procurement policies of the state,  
313 vested in, or exercised by, any state contracting agency may also be  
314 exercised by the board, provided such rights, powers, duties and  
315 authority may be exercised by the board as provided in sections 503 to  
316 547, inclusive, of this act, and absent any affirmative action by the  
317 board, pursuant to said sections of this act, shall not be deemed to limit  
318 or restrict the exercise of such rights, powers, duties and authority by  
319 any such state contracting agency. Such rights, powers, duties and  
320 authority shall include the following:

321 (1) Acquisition of supplies, services, and construction, and the  
322 management, control, warehousing, sale, and disposal of supplies,  
323 services, and construction;

324 (2) Any state contracting and procurement processes, including, but  
325 not limited to, leasing and property transfers, purchasing or leasing of

326 supplies, materials or equipment, consultant or consultant services,  
327 purchase of service agreements or privatization contracts, as defined in  
328 section 501 of this act; and

329 (3) Contracts for the construction, reconstruction, alteration,  
330 remodeling, repair or demolition of any public building.

331 (b) Upon request by the board, each state contracting agency,  
332 including institutions of higher education, shall provide the board, in a  
333 timely manner, with such procurement information as the board  
334 deems necessary. The board shall have access to all information, files  
335 and records related to any state contracting agency in furtherance of  
336 the board's duties, as described in sections 503 to 547, inclusive, of this  
337 act. Nothing in this section shall be construed to require the board's  
338 disclosure of documents that are exempt from disclosure pursuant to  
339 chapter 14 of the general statutes.

340 Sec. 504. (NEW) (*Effective October 1, 2008*) Except as otherwise  
341 provided in the general statutes, the board shall have the following  
342 authority and responsibilities with respect to procurements by state  
343 contracting agencies:

344 (a) Recommend the repeal of repetitive, conflicting or obsolete  
345 statutes concerning state procurement;

346 (b) Review and make recommendations concerning proposed  
347 legislation and regulations concerning procurement, management,  
348 control, and disposal of any and all supplies, services, and construction  
349 to be procured by the state, including, but not limited to:

350 (1) Conditions and procedures for delegation of procurement  
351 authority;

352 (2) Prequalification, suspension, debarment and reinstatement of  
353 prospective bidders and contractors;

354 (3) Small purchase procedures;

- 355 (4) Conditions and procedures for the procurement of perishables  
356 and items for resale;
- 357 (5) Conditions and procedures for the use of source selection  
358 methods authorized by statutes and regulations concerning  
359 procurement;
- 360 (6) Conditions and procedures for the use of emergency  
361 procurements;
- 362 (7) Conditions and procedures for the selection of contractors by  
363 processes or methods that restrict full and open competition;
- 364 (8) The opening or rejection of bids and offers, and waiver of errors  
365 in bids and offers;
- 366 (9) Confidentiality of technical data and trade secrets submitted by  
367 actual or prospective bidders;
- 368 (10) Partial, progressive and multiple awards;
- 369 (11) Supervision of storerooms and inventories, including  
370 determination of appropriate stock levels and the management,  
371 transfer, sale or other disposal of publicly-owned supplies;
- 372 (12) Definitions and classes of contractual services and procedures  
373 for acquiring such services;
- 374 (13) Regulations providing for conducting cost and price analysis;
- 375 (14) Use of payment and performance bonds;
- 376 (15) Guidelines for use of cost principles in negotiations,  
377 adjustments and settlements; and
- 378 (16) Identification of procurement best practices;
- 379 (c) Adopt regulations, pursuant to chapter 54 of the general statutes,  
380 to carry out the provisions of statutes concerning procurement, in

381 order to facilitate consistent application of the law and require the  
382 implementation of procurement best practices;

383 (d) Make recommendations with regard to information systems for  
384 state procurement including, but not limited to, data element and  
385 design and the State Contracting Portal;

386 (e) Develop a guide to state statutes and regulations concerning  
387 procurement, for use by all state contracting agencies;

388 (f) Assist state contracting agencies in complying with the statutes  
389 and regulations concerning procurement by providing guidance,  
390 models, advice and practical assistance to state contracting agency staff  
391 relating to: (1) Buying the best service at the best price, (2) properly  
392 selecting contractors, and (3) drafting contracts that achieve state goals  
393 of accountability, transparency and results based outcomes and to  
394 protect taxpayers' interest;

395 (g) Train and oversee the Agency Procurement Officer of each state  
396 contracting agency and any contracting officers thereunder;

397 (h) Review and certify, on or after January 1, 2009, that a state  
398 contracting agency's procurement processes are in compliance with  
399 statutes and regulations concerning procurement by:

400 (1) Establishing procurement and project management education  
401 and training criteria and certification procedures for Agency  
402 Procurement Officers and contracting officers. All Agency  
403 Procurement Officers and contracting officers designated under this  
404 provision shall be required to maintain the certification in good  
405 standing at all times while performing procurement functions;

406 (2) Approving an ethics training course, in consultation with the  
407 Office of State Ethics, including, but not limited to, state employees  
408 involved in procurement and for state contractors and substantial  
409 subcontractors who are prequalified pursuant to chapter 58a of the  
410 general statutes. Such ethics training course may be developed and

411 provided by the Office of State Ethics or by any person, firm or  
412 corporation provided such course is approved by the State Contracting  
413 Standards Board;

414 (i) Recertify each state contracting agency's procurement processes,  
415 triennially, and provide agencies with notice of any certification  
416 deficiency and exercise those powers authorized by section 534, 539 or  
417 540 of this act, as applicable, if a determination of noncompliance is  
418 made;

419 (j) Define the contract data reporting requirements to the board for  
420 state agencies concerning information on: (1) The number and type of  
421 state contracts of each state contracting agency currently in effect state-  
422 wide; (2) the term and dollar value of such contracts; (3) a list of client  
423 agencies; (4) a description of services purchased under such contracts;  
424 (5) contractor names; (6) an evaluation of contractor performance,  
425 including, but not limited to records pertaining to the suspension or  
426 disqualification of contractors, and assuring such information is  
427 available on the state contracting portal; and (7) a list of contracts and  
428 contractors awarded without full and open competition stating the  
429 reasons for and identifying the approving authority; and

430 (k) Provide the Governor and the joint standing committee of the  
431 General Assembly having cognizance of matters relating to  
432 government administration with recommendations concerning the  
433 statutes and regulations concerning procurement.

434 Sec. 505. (NEW) (*Effective October 1, 2008*) (a) (1) The head of each  
435 state contracting agency shall appoint an Agency Procurement Officer.  
436 Such officer shall serve as the liaison between the agency and the Chief  
437 Procurement Officer on all matters relating to the agency's  
438 procurement activity, including, but not limited to, implementation  
439 and compliance with the provisions of statutes and regulations  
440 concerning procurement and any policies or regulations adopted by  
441 the board, coordination of the training and education of agency  
442 procurement employees and any person serving on the Contracting

443 Standards Advisory Council;

444 (2) The Agency Procurement Officer shall be responsible for  
445 assuring that contractors are properly screened prior to the award of a  
446 contract, evaluating contractor performance during and at the  
447 conclusion of a contract, submitting written evaluations to a central  
448 data repository to be designated by the board and creating a project  
449 management plan for the agency with annual reports to the board  
450 pertaining to procurement projects within the agency.

451 (b) The State Contracting Standards Board, with the advice and  
452 assistance of the Commissioner of Administrative Services, shall  
453 develop a standardized state procurement and project management  
454 education and training program. Such education and training program  
455 shall develop education, training and professional development  
456 opportunities for employees of state contracting agencies charged with  
457 procurement responsibilities. The program shall educate such  
458 employees in general business acumen and on proper purchasing  
459 procedures as established in statutes and regulations concerning  
460 procurement with an emphasis on ethics, fairness, consistency and  
461 project management. Participation in the program shall be required of  
462 any supervisory and nonsupervisory state employees in state  
463 contracting agencies with responsibility for buying, purchasing,  
464 renting, leasing or otherwise acquiring any supplies, service or  
465 construction, including the preparation of the description of  
466 requirements, selection and solicitation of sources, preparation and  
467 award of contracts and all phases of contract administration.

468 (c) The program shall include, but shall not be limited to (1) training  
469 and education concerning federal, state and municipal procurement  
470 processes, including the statutes and regulations concerning  
471 procurement; (2) training and education courses developed in  
472 cooperation with the Office of State Ethics, the Freedom of Information  
473 Commission, the State Elections Enforcement Commission, the  
474 Commission on Human Rights and Opportunities, the office of the  
475 Attorney General and any other state agency the board determines is

476 necessary in carrying out statutes and regulations concerning  
477 procurement; (3) providing technical assistance to state contracting  
478 agencies and municipalities for implementing statutes and regulations  
479 concerning procurement, regulations, policies and standards  
480 developed by the board; (4) training to current and prospective  
481 contractors and vendors and others seeking to do business with the  
482 state; and (5) training and education of state employees in the area of  
483 best procurement practices in state purchasing with the goal of  
484 achieving the level of acumen necessary to achieve the objectives of  
485 statutes and regulations concerning procurement.

486 (d) Any employee who completes the program established under  
487 subsection (b) of this section shall be issued documentation by the  
488 board acknowledging such employee's participation in the program.  
489 The board shall submit an annual report to the Governor and the  
490 General Assembly on the status of such program in accordance with  
491 section 11-4a of the general statutes.

492 (e) The board shall adopt regulations, in accordance with the  
493 provisions of chapter 54 of the general statutes, to develop and  
494 implement the training and education program established under  
495 subsection (b) of this section.

496 Sec. 506. (NEW) (*Effective October 1, 2010*) (a) The board shall  
497 conduct audits of state contracting agencies, triennially, to ensure  
498 compliance with statutes and regulations concerning procurement. In  
499 conducting each such audit, the board shall have access to all  
500 contracting and procurement records, may interview any and all  
501 personnel responsible for contracting, contract negotiations or  
502 procurement and may enter into an agreement with the Auditors of  
503 Public Accounts to effectuate such audit.

504 (b) Upon completion of any such audit, the board shall prepare and  
505 issue a compliance report for the state contracting agency. Such report  
506 shall identify any process or procedure that is inconsistent with  
507 statutes and regulations concerning procurement and indicate those

508 corrective measures the board deems necessary to comply with  
509 statutes and regulations concerning procurement requirements. Such  
510 report shall be issued and delivered not later than thirty days after  
511 completion of such audit and shall be a public record.

512 Sec. 507. (NEW) (*Effective October 1, 2010*) (a) For cause, the State  
513 Contracting Standards Board may review, terminate or recommend to  
514 a state contracting agency the termination of any contract or  
515 procurement agreement undertaken by any state contracting agency  
516 after providing fifteen days notice to the state contracting agency and  
517 the applicable contractor, and consulting with the Attorney General.  
518 Such termination of a contract or procurement agreement by the board  
519 may occur only after (1) the board has consulted with the contracting  
520 agency to determine the impact of an immediate termination of the  
521 contract, (2) a determination has been made jointly by the board and  
522 the contracting agency that an immediate termination of the contract  
523 will not create imminent peril to the public health, safety or welfare, (3)  
524 a vote of two-thirds of the members of the board present and voting  
525 for that purpose, and (4) the board has provided the state contracting  
526 agency and the contractor with opportunity for a hearing conducted  
527 pursuant to the provisions of chapter 54 of the general statutes. Such  
528 action shall be accompanied by notice to the state contracting agency  
529 and any other affected party. For the purpose of this section, "for  
530 cause" means: (A) A violation of section 1-84 or 1-86e of the general  
531 statutes, as determined by the Citizen's Ethics Advisory Board; (B)  
532 wanton or reckless disregard of any state contracting and procurement  
533 process by any person substantially involved in such contract or state  
534 contracting agency; or (C) notification from the Attorney General to  
535 the state contracting agency that an investigation pursuant to section 4-  
536 61dd of the general statutes has concluded that the process by which  
537 such contract was awarded was compromised by fraud, collusion or  
538 any other criminal violation. Nothing in this section shall be construed  
539 to limit the authority of the board as described in section 506 of this  
540 act.

541 (b) Following consultation with the state contracting agency and

542 upon providing fifteen days' notice and the opportunity for a hearing,  
543 the State Contracting Standards Board may restrict or terminate the  
544 authority of any state contracting agency to enter into any contract or  
545 procurement agreement if: (1) The board, upon a vote of two-thirds of  
546 the members of the board present and voting for such purpose,  
547 determines that such state contracting agency failed to comply with  
548 statutory contracting and procurement requirements and evidenced a  
549 reckless disregard for applicable procedures and policy; and (2) such  
550 limitation, restriction or termination of authority is in the state's best  
551 interest, provided the board has made arrangements for the exercise of  
552 the contracting power of such agency during the period of limitation,  
553 restriction or termination. Such limitation, restriction or termination of  
554 authority shall remain in effect until such time as the board determines  
555 that such state contracting agency has implemented corrective  
556 measures and demonstrated compliance with statutes and regulations  
557 concerning procurement.

558 (c) Following consultation with the state contracting agency, and  
559 thereafter upon providing fifteen days' notice and the opportunity for  
560 a hearing, the State Contracting Standards Board may order a state  
561 contracting agency to take appropriate action to restrict or terminate  
562 the authority of an employee or agent to enter into any contract or  
563 procurement agreement if the board, upon a vote of two-thirds of the  
564 members of the board present and voting for such purpose, determines  
565 that such employee or agent failed to comply with statutory  
566 contracting and procurement requirements, and evidenced a reckless  
567 disregard for applicable procedures and policy. Such limitation,  
568 restriction or termination of authority shall remain in effect until such  
569 time as the board determines that such state contracting agency has  
570 implemented corrective measures and demonstrated compliance with  
571 statutes and regulations concerning procurement.

572 Sec. 508. (NEW) (*Effective October 1, 2008*) There is established a  
573 Contracting Standards Advisory Council, which shall consist of  
574 representatives from the Office of Policy and Management,  
575 Departments of Administrative Services, Transportation, Public Works

576 and Information Technology and representatives of at least three  
577 additional contracting agencies, including at least one human services  
578 related state agency, designated by the Governor. The Chief  
579 Procurement Officer shall be a member of the council and serve as  
580 chairperson. The advisory council shall meet at least four times per  
581 year to discuss state procurement issues and to make  
582 recommendations for improvement of the procurement processes to  
583 the State Contracting Standards Board. The advisory council may  
584 conduct studies, research and analyses and make reports and  
585 recommendations with respect to subjects or matters within the  
586 jurisdiction of the State Contracting Standards Board.

587       Sec. 509. (NEW) (*Effective October 1, 2008*) (a) There shall be a  
588 Vendor and Citizen Advisory Panel comprised of fifteen members  
589 appointed as follows: Three members by the Governor, two members  
590 by each of the following: The speaker of the House of Representatives,  
591 the majority and minority leaders of the House of Representatives, the  
592 president pro tempore of the Senate and the majority and minority  
593 leaders of the Senate. No more than six vendors with state  
594 procurement experience shall be on the panel and the remaining  
595 members shall have demonstrated sufficient knowledge by education,  
596 training or experience in one or more of the following areas: (1)  
597 Government procurement; (2) contract negotiation, drafting and  
598 management; (3) contract risk assessment; (4) preparing requests for  
599 proposals, invitations to bid and other procurement solicitations; (5)  
600 evaluating proposals, bids and quotations; (6) real property  
601 transactions; (7) business insurance and bonding; (8) the state code of  
602 ethics; (9) federal and state statutes, policies and regulations; (10)  
603 outsourcing and privatization proposal analysis; (11) governmental  
604 taxation and finance; (12) small and minority business enterprise  
605 development; (13) collective bargaining; and (14) human services,  
606 provided such education, training or experience shall have been  
607 acquired over not less than a continuous five-year period and within  
608 the ten-year period preceding such appointment. The chairperson of  
609 the panel shall be the Chief Procurement Officer, who shall be an ex-

610 officio member.

611 (b) The panel shall make recommendations to the board regarding  
612 best practices in state procurement processes and project management  
613 as well as other issues pertaining to stakeholders in the system.

614 Sec. 510. (NEW) (*Effective October 1, 2008*) (a) On or before January 1,  
615 2010, the board shall submit to the Governor and the General  
616 Assembly such additional legislation as is necessary to permit state  
617 contracting agencies, not including quasi-publics, institutions of higher  
618 education, and municipal procurement processes utilizing state funds,  
619 to carry out their functions under statutes and regulations concerning  
620 procurement.

621 (b) On or before January 1, 2011, the board shall submit to the  
622 Governor and the General Assembly such legislation as is necessary to  
623 apply the provisions of statutes concerning procurement to constituent  
624 units of the state system of higher education. Concomitantly, the board  
625 shall submit such additional legislation as is necessary to apply the  
626 provisions of statutes and regulations concerning privatization and  
627 procurement to quasi-public agencies.

628 (c) On or before January 1, 2012, the board shall submit to the  
629 Governor and the General Assembly such legislation as is necessary to  
630 apply the provisions of statutes and regulations concerning  
631 procurement to the municipal procurement processes utilizing state  
632 funds.

633 Sec. 511. (NEW) (*Effective October 1, 2008*) (a) The board shall  
634 provide assistance to the Secretary of the State, Comptroller, Treasurer  
635 and Attorney General to develop best procurement practices specific to  
636 the constitutional and statutory functions of each office and consistent  
637 with statutes and regulations concerning procurement.

638 (b) Each of the officers specified in subsection (a) of this section shall  
639 adopt a code of procurement practices on or before January 1, 2011.

640 Sec. 512. (NEW) (*Effective October 1, 2008*) (a) On or before January 1,  
641 2011, the Judicial Branch and the Legislative Branch shall each prepare  
642 a procurement code applicable to contracting expenditures, including,  
643 but not limited to, expenditures: (1) Involving contracting and  
644 procurement processes for purchasing or leasing of supplies, materials  
645 or equipment, consultant or consultant services, personal service  
646 agreements or purchase of service agreements; and (2) relating to  
647 contracts for the renovation, alteration or repair of any Judicial Branch  
648 or Legislative Branch facility in accordance with section 4b-1 of the  
649 general statutes.

650 (b) The procurement codes described in subsection (a) of this section  
651 shall be designed to: (1) Establish uniform contracting standards and  
652 practices; (2) simplify and clarify contracting standards and  
653 procurement policies and practices, including, but not limited to,  
654 procedures for competitive sealed bids, competitive sealed proposals,  
655 small purchases, sole source procurements, emergency procurements  
656 and special procurements; (3) ensure the fair and equitable treatment  
657 of all businesses and persons who deal with the procurement system;  
658 (4) include a process to maximize the use of small contractors and  
659 minority business enterprises; (5) provide increased economy in  
660 procurement activities and maximize purchasing value to the fullest  
661 extent possible; (6) ensure that the procurement of supplies, materials,  
662 equipment, services, real property and construction is obtained in a  
663 cost-effective and responsive manner; (7) include a process to ensure  
664 contractor and Judicial Branch or Legislative Branch accountability;  
665 and (8) provide a process for competitive sealed bids, competitive  
666 sealed proposals, small purchases, sole source procurements,  
667 emergency procurements, special procurements, best value selection,  
668 qualification based selection and the conditions for their use.

669 (c) On or before January 1, 2011, the Judicial Branch shall submit  
670 such procurement code for review and approval to the joint standing  
671 committee of the General Assembly having cognizance of matters  
672 relating to the judiciary.

673 Sec. 513. (NEW) (*Effective October 1, 2008*) (a) The Department of  
674 Administrative Services, in consultation with the State Contracting  
675 Standards Board, shall establish and maintain a single electronic portal  
676 available on the Internet and located on the Department of  
677 Administrative Services' web site for purposes of posting all  
678 contracting opportunities with state agencies in the executive branch,  
679 the constituent units of the state system of higher education and quasi-  
680 public agencies. Such electronic portal shall be known as the State  
681 Contracting Portal.

682 (b) The State Contracting Portal shall, among other things, include:  
683 (1) All requests for bids or proposals, and other solicitations regardless  
684 of the method of source selection, related materials and all resulting  
685 contracts and agreements by state agencies; (2) a searchable database  
686 for locating information; (3) personal services agreements and  
687 purchase of service agreements; (4) a state procurement and contract  
688 manual or other similar information designated by the Department of  
689 Administrative Services as describing approved contracting processes  
690 and procedures; and (5) prominent features to encourage the active  
691 recruitment and participation of small businesses and women and  
692 minority owned enterprises in the state contracting process.

693 (c) All state agencies in the executive branch, the constituent units of  
694 the state system of higher education and quasi-public agencies shall  
695 post all bids, requests for proposals and all resulting contracts and  
696 agreements on the State Contracting Portal and shall, with the  
697 assistance of the Department of Administrative Services and the  
698 Department of Information Technology as needed, develop the  
699 infrastructure and capability to electronically communicate with the  
700 State Contracting Portal.

701 (d) All state agencies in the executive branch, the constituent units  
702 of the state system of higher education and quasi-public agencies shall  
703 develop written policies and procedures to ensure that information is  
704 posted to the State Contracting Portal in a timely, complete and  
705 accurate manner consistent with the highest legal and ethical

706 standards of state government.

707 (e) The Department of Administrative Services shall periodically  
708 report to the Governor and the State Contracting Standards Board on  
709 the progress of all state agencies in the executive branch, the  
710 constituent units of the state system higher education and quasi-public  
711 agencies, in developing the capacity, infrastructure, policies and  
712 procedures to electronically communicate with the State Contracting  
713 Portal and the Department of Administrative Services' progress  
714 toward establishment and maintenance of the State Contracting Portal.

715 Sec. 514. (NEW) (*Effective October 1, 2008*) On and after January 1,  
716 2010, all state contracts of each state contracting agency that take effect  
717 on or after June 1, 2010, shall contain provisions to ensure  
718 accountability, transparency and results based outcomes, as prescribed  
719 by the State Contracting Standards Board. On and after June 1, 2010, all  
720 state contracts of the Legislative Branch and the Judicial Branch that  
721 take effect on or after June 1, 2010, shall contain provisions to ensure  
722 accountability, transparency and results based outcomes.

723 Sec. 515. (*Effective October 1, 2008*) Nothing in sections 501 to 514,  
724 inclusive, and 516 of this act shall be construed to affect the  
725 requirements of public act 06-129.

726 Sec. 516. (NEW) (*Effective January 1, 2009*) (a) Prior to entering any  
727 privatization contract for the privatization of a state service that is not  
728 currently privatized, the state contracting agency shall develop a cost-  
729 benefit analysis in accordance with the provisions of subsection (b) of  
730 this section. Such requirement shall not apply to a privatization  
731 contract for a service currently provided, in whole or in part, by a non-  
732 state entity. Any affected party may petition the State Contracting  
733 Standards Board for review of such privatization contract, in  
734 accordance with the provisions of subsections (f) to (h), inclusive, of  
735 this section.

736 (b) The cost-benefit analysis conducted by a state contracting agency  
737 prior to entering a privatization contract shall document the direct and

738 indirect costs, savings, and qualitative and quantitative benefits, that  
739 will result from the implementation of such privatization contract.  
740 Such cost-benefit analysis shall specify the schedule that, at a  
741 minimum, shall be adhered to in order to achieve any estimated  
742 savings. Any cost factor shall be clearly identified in such cost-benefit  
743 analysis and supported by all applicable records and reports. The  
744 department head of such state contracting agency shall certify that,  
745 based on the data and information, all projected costs, savings and  
746 benefits are valid and achievable. As used in this subsection, "costs"  
747 means all reasonable, relevant and verifiable expenses, including  
748 salary, materials, supplies, services, equipment, capital depreciation,  
749 rent, maintenance, repairs, utilities, insurance, travel, overhead,  
750 interim and final payments and the normal cost of fringe benefits, as  
751 calculated by the Comptroller. As used in this subsection, "savings"  
752 means the difference between the current annual direct and indirect  
753 costs of providing such service and the projected, annual direct and  
754 indirect costs of contracting to provide such services in any succeeding  
755 state fiscal year during the term of such proposed privatization  
756 contract.

757 (c) (1) If such cost-benefit analysis identifies a cost savings to the  
758 state of ten per cent or more, and such privatization contract will not  
759 diminish the quality of such service, the state contracting agency shall  
760 develop a business case, in accordance with the provisions of  
761 subsection (d) of this section, in order to evaluate the feasibility of  
762 entering any such contract and to identify the potential results,  
763 effectiveness and efficiency of such contract.

764 (2) If such cost-benefit analysis identifies a cost savings of less than  
765 ten per cent to the state and such privatization contract will not  
766 diminish the quality of such service, the state contracting agency may  
767 develop a business case, in accordance with the provisions of  
768 subsection (d) of this section, in order to evaluate the feasibility of  
769 entering any such contract and to identify the potential results,  
770 effectiveness and efficiency of such contract, provided there is a  
771 significant public policy reason to enter into such privatization

772 contract. Any such business case shall be approved in accordance with  
773 the provisions of subdivision (4) of subsection (h) of this section.

774 (3) If any such proposed privatization contract would result in the  
775 layoff, transfer or reassignment of one hundred or more state agency  
776 employees, after consulting with the potentially affected bargaining  
777 units, if any, the state contracting agency shall notify the state  
778 employees of such bargaining unit, after such cost benefit analysis is  
779 completed. Such state contracting agency shall provide an opportunity  
780 for said employees to reduce the costs of conducting the operations to  
781 be privatized and provide reasonable resources for the purpose of  
782 encouraging and assisting such state employees to organize and  
783 submit a bid to provide the services that are the subject of the potential  
784 privatization contract. The state contracting agency shall retain sole  
785 discretion in determining whether to proceed with the privatization  
786 contract, provided the business case for such contract is approved by  
787 the board.

788 (d) Any business case developed by a state contracting agency for  
789 the purpose of complying with subsection (c) of this section shall  
790 include: (1) The cost benefit analysis as described in subsection (b) of  
791 this section, (2) a detailed description of the service or activity that is  
792 the subject of such business case, (3) a description and analysis of the  
793 state contracting agency's current performance of such service or  
794 activity, (4) the goals to be achieved through the proposed  
795 privatization contract and the rationale for such goals, (5) a description  
796 of available options for achieving such goals, (6) an analysis of the  
797 advantages and disadvantages of each option, including, at a  
798 minimum, potential performance improvements and risks attendant to  
799 termination of the contract or rescission of such contract, (7) a  
800 description of the current market for the services or activities that are  
801 the subject of such business case, (8) an analysis of the quality of  
802 services as gauged by standardized measures and key performance  
803 requirements including compensation, turnover, and staffing ratios, (9)  
804 a description of the specific results based performance standards that  
805 shall, at a minimum be met, to ensure adequate performance by any

806 party performing such service or activity, (10) the projected time frame  
807 for key events from the beginning of the procurement process through  
808 the expiration of a contract, if applicable, (11) a specific and feasible  
809 contingency plan that addresses contractor nonperformance and a  
810 description of the tasks involved in and costs required for  
811 implementation of such plan, and (12) a transition plan, if appropriate,  
812 for addressing changes in the number of agency personnel, affected  
813 business processes, employee transition issues, and communications  
814 with affected stakeholders, such as agency clients and members of the  
815 public, if applicable. Such transition plan shall contain a reemployment  
816 and retraining assistance plan for employees who are not retained by  
817 the state or employed by the contractor. If the primary purpose of the  
818 proposed privatization contract is to provide a core governmental  
819 function, such business case shall also include information sufficient to  
820 rebut the presumption that such core governmental function should  
821 not be privatized. Such presumption shall not be construed to prohibit  
822 a state contracting agency from contracting for specialized technical  
823 expertise not available within such agency, provided such agency shall  
824 retain responsibility for such core governmental function. For the  
825 purposes of this section, "core governmental function" means a  
826 function for which the primary purpose is (A) the inspection for  
827 adherence to health and safety standards because public health or  
828 safety may be jeopardized if such inspection is not done or is not done  
829 in a timely or proper manner, (B) the establishment of statutory,  
830 regulatory or contractual standards to which a regulated person, entity  
831 or state contractor shall be held, (C) the enforcement of statutory,  
832 regulatory or contractual requirements governing public health or  
833 safety, or (D) criminal or civil law enforcement. If any part of such  
834 business case is based upon evidence that the state contracting agency  
835 is not sufficiently staffed to provide the core governmental function  
836 required by the privatization contract, the state contracting agency  
837 shall also include within such business case a plan for remediation of  
838 the understaffing to allow such services to be provided directly by the  
839 state contracting agency in the future.

840 (e) Upon the completion of such business case, the state contracting  
841 agency shall submit the business case to the State Contracting  
842 Standards Board. For any privatization contract with a projected cost  
843 that exceeds one hundred fifty million dollars annually or six hundred  
844 million dollars over the life of such contract, the state contracting  
845 agency shall also submit such business case to the Governor, the  
846 president pro tempore of the Senate, the speaker of the House of  
847 Representatives, and any collective bargaining unit affected by the  
848 proposed privatization contract.

849 (f) (1) There shall be a privatization contract committee of the State  
850 Contracting Standards Board that shall review, evaluate, issue  
851 advisory reports and make recommendations on business cases  
852 submitted to the board by any state contracting agency. Such  
853 privatization contract committee shall consist of five members of the  
854 State Contracting Standards Board. Such members shall be appointed  
855 by the chairperson of the board and consist of both gubernatorial and  
856 legislative appointments, have not more than three members from any  
857 one political party, and at least one member of such committee shall  
858 have expertise in the area that is the subject of such proposed contract.  
859 The chairperson of the board, or the chairperson's designee shall serve  
860 as the chair of the privatization contract committee.

861 (2) Upon receipt of any such business case from a state contracting  
862 agency, the State Contracting Standards Board shall immediately refer  
863 such business case to such privatization contract committee. The  
864 privatization contract committee shall employ a standard process for  
865 reviewing, evaluating and approving any such business cases. Such  
866 process shall include due consideration of: (A) The cost-benefit  
867 analysis developed by the state contracting agency, (B) the business  
868 case developed by the state contracting agency, including any facts,  
869 documents or other materials that are relevant to such business case,  
870 (C) any adverse effect that such privatization contract may have on  
871 minority, small and women-owned businesses that do, or are  
872 attempting to do business with the state, and (D) the value of having  
873 services performed in the state and within the United States.

874 (3) The privatization committee shall evaluate the business case and  
875 submit the committee's evaluation to the State Contracting Standards  
876 Board for review and approval. During the review or consideration of  
877 any such business case, no member of the board shall engage in any  
878 ex-parte communication with any lobbyist, contractor or union  
879 representative. Unless otherwise provided in this section, a majority  
880 vote of the board shall be required to approve any such business case.

881 (4) The business case for a privatization contract to provide a core  
882 governmental function may be approved by a two-thirds vote of the  
883 board, provided the state contracting agency has provided sufficient  
884 evidence to rebut the presumption contained in subsection (d) of this  
885 section and there is a significant policy reason to approve such  
886 business case. In no such case shall the insufficient staffing of a state  
887 contracting agency constitute a significant policy reason to approve a  
888 business case for a privatization contract to provide a core  
889 governmental function.

890 (g) Each state contracting agency that submits a business case to the  
891 board for review shall submit to the board all information, documents  
892 or other material required by the privatization contract committee to  
893 complete its review and evaluation of such business case.

894 (h) (1) Not later than sixty days after receipt of any business case,  
895 the State Contracting Standards Board shall transmit a report detailing  
896 its review, evaluation and disposition regarding such business case to  
897 the state contracting agency that submitted such business case and, in  
898 the case of a privatization contract with a projected cost of one  
899 hundred fifty million dollars or more annually, or six hundred million  
900 dollars or more over the life of the contract, concomitantly transmit  
901 such report to the Governor, the president pro tempore of the Senate,  
902 the speaker of the House of Representatives and any collective  
903 bargaining unit affected by the proposed privatization contract. Such  
904 sixty-day period may be extended for an additional thirty days upon a  
905 majority vote of the board or the privatization contract committee and  
906 for good cause shown.

907 (2) The board's report shall include the business case prepared by  
908 the state contracting agency, the evaluation of the business case  
909 prepared by the privatization contract committee, the reasons for  
910 approval or disapproval, any recommendations of the board and  
911 sufficient information to assist the state contracting agency in  
912 determining if additional steps are necessary to move forward with a  
913 privatization contract.

914 (3) If the State Contracting Standards Board does not act on a  
915 business case submitted by a state contracting agency within sixty  
916 days of receipt of such business case, such business case shall be  
917 deemed approved, except that no business case may be approved for  
918 failure of the board to meet.

919 (4) In the case of a business case developed pursuant to subdivision  
920 (2) of subsection (c) of this section, a two-thirds vote of the board shall  
921 be required for approval of such privatization contract.

922 (5) Any state contracting agency may request an expedited review  
923 of a business case submitted to the board if there is a compelling public  
924 interest for such expedited review. If the board approves the agency's  
925 request for such an expedited review, such review shall be completed  
926 not later than thirty days after receipt of such request. If the board fails  
927 to complete an expedited review within thirty days of receipt of a  
928 request that was approved by the board, such business case shall be  
929 deemed to be approved.

930 (i) A state contracting agency may publish notice soliciting bids for a  
931 privatization contract only after the board approves such business  
932 case, provided any privatization contract that is estimated to cost in  
933 excess of one hundred fifty million dollars annually or six hundred  
934 million dollars or more over the life of the contract shall also be  
935 approved by the General Assembly prior to the state contracting  
936 agency soliciting bids for such contract. The General Assembly may  
937 approve any such contract as a whole by a majority vote of each house  
938 or may reject such agreement as a whole by a majority vote of either

939 house. If the General Assembly is in session, it shall vote to approve or  
940 reject such contract not later than thirty days after such state  
941 contracting agency files such contract with the General Assembly. If  
942 the General Assembly is not in session when such contract is filed, it  
943 shall be submitted to the General Assembly not later than ten days  
944 after the first day of the next regular session or special session called  
945 for such purpose. The contract shall be deemed approved if the  
946 General Assembly fails to vote to approve or reject such contract  
947 within thirty days after such filing. Such thirty-day period shall not  
948 begin or expire unless the General Assembly is in regular session. For  
949 the purpose of this subsection, any contract filed with the clerks within  
950 thirty days before the commencement of a regular session of the  
951 General Assembly shall be deemed to be filed on the first day of such  
952 session.

953 (j) Each state contracting agency shall submit, in writing, to the State  
954 Contracting Standards Board, any proposed amendment to a board  
955 approved business case in order that the board may review and  
956 approve of such proposed amendment. The board may approve or  
957 disapprove of any such proposed amendment not later than thirty  
958 days after receipt of such proposed amendment by the same vote that  
959 was required for approval of the original business case. If the board  
960 fails to complete its review within thirty days of receipt of such  
961 proposed amendment, such amendment shall be deemed approved.

962 (k) Not later than thirty days after a decision of the board to  
963 approve a business case, any collective bargaining agent of any  
964 employee adversely affected by such proposed privatization contract  
965 may file a motion for an order to show cause in the superior court for  
966 the judicial district of Hartford on the grounds that such contract fails  
967 to comply with the substantive or procedural requirements of this  
968 section. A ruling on any such motion may: (1) Deny the motion; (2)  
969 grant the motion if the court finds that the proposed contract would  
970 substantively violate the provisions of this section; or (3) stay the  
971 effective date of the contract until any substantive or procedural defect  
972 found by the court has been corrected.

973 (l) (1) The board may review additional existing privatization  
974 contracts and shall review not less than one contracting area each year  
975 that is currently privatized. During the review of any such  
976 privatization contract, no member of the board shall engage in any ex-  
977 parte communication with any lobbyist, contractor or union  
978 representative. For each such privatization contract selected for review  
979 by the board, the appropriate state contracting agency shall develop a  
980 cost-benefit analysis in accordance with subsection (b) of this section.  
981 In addition, any affected party may petition the board for review of  
982 any existing privatization contract, in accordance with the provisions  
983 of subsections (f) to (h), inclusive, of this section.

984 (2) If such cost-benefit analysis identifies a ten per cent or more cost  
985 savings to the state from the use of such privatization contract and  
986 such contract does not diminish the quality of the service provided,  
987 such state contracting agency shall develop a business case for the  
988 renewal of such privatization contract in accordance with the  
989 provisions of subsections (d) and (e) of this section. The board shall  
990 review such contract in accordance with the provisions of subsections  
991 (f) to (h), inclusive, of this section and may approve such renewal by  
992 the applicable vote of the board, provided any such renewal that is  
993 estimated to cost in excess of one hundred fifty million dollars  
994 annually or six hundred million dollars or more over the life of the  
995 contract shall also be approved by the General Assembly prior to the  
996 state contracting agency renewing such contract. If such renewal is  
997 approved by the board and the General Assembly, if applicable, the  
998 provisions of subsection (j) of this section shall apply to any proposed  
999 amendment to such contract.

1000 (3) If such cost-benefit analysis identifies a cost savings to the state  
1001 of less than ten per cent, such state contracting agency shall prepare a  
1002 plan to have such service provided by state employees and shall begin  
1003 to implement such plan, provided: (A) While such plan is prepared,  
1004 but prior to implementation of such plan, such state contracting  
1005 agency may develop a business case for such privatization contract, in  
1006 accordance with the provisions of subsection (d) of this section, that

1007 achieves a cost savings to the state of ten per cent or more. Any such  
1008 business case shall be reviewed by the board in accordance with the  
1009 provisions of subsections (f) to (h), inclusive, of this section, and may  
1010 be approved by the applicable vote of the board; (B) such privatization  
1011 contract shall not be renewed with the vendor currently providing  
1012 such service unless: (i) There exists a significant public interest in  
1013 renewing such contract, and (ii) such renewal is approved by a two-  
1014 thirds vote of the board; (C) the state contracting agency may enter  
1015 into a contract with a term of one year or less for the provision of such  
1016 service until such state contracting agency implements such plan; and  
1017 (D) the procedure for the transfer of funds from the General Fund, as  
1018 described in section 4-94 of the general statutes, may be utilized to  
1019 allocate necessary resources for the implementation of the provisions  
1020 of this subdivision.

1021 (4) Notwithstanding the provisions of subdivision (3) of this  
1022 subsection, the renewal of a privatization contract with a nonprofit  
1023 organization shall not be denied if the cost of increasing compensation  
1024 to employees performing the privatized service is the sole cause for  
1025 such contract not achieving a cost savings to the state of ten per cent or  
1026 more.

1027 (m) The Office of Policy and Management, in consultation with the  
1028 State Contracting Standards Board, shall: (1) Develop policies and  
1029 procedures, including templates for use by state contracting agencies  
1030 for the development of a cost-benefit analysis, as described in  
1031 subsection (b) of this section, and (2) review with each state contracting  
1032 agency the budgetary impact of any such privatization contract and  
1033 the need to request budget adjustments in connection with any such  
1034 privatization contract.

1035 (n) The State Contracting Standards Board, in consultation with the  
1036 Department of Administrative Services, shall: (1) Recommend and  
1037 implement standards and procedures for state contracting agencies to  
1038 develop business cases in connection with privatization contracts,  
1039 including templates for use by state contracting agencies when

1040 submitting business cases to the board, and policies and procedures to  
1041 guide state contracting agencies to complete such business cases, and  
1042 (2) develop guidelines and procedures for assisting state employees  
1043 whose jobs are affected by a privatization contract.

1044 (o) Notwithstanding the provisions of subsections (a) and (i) of this  
1045 section, a state contracting agency may enter into a privatization  
1046 contract without development of a cost-benefit analysis or approval of  
1047 a business case by the State Contracting Standards Board if (1) the state  
1048 contracting agency finds that a privatization contract is required (A)  
1049 due to an imminent peril to the public health, safety or welfare, and (B)  
1050 the agency states, in writing, its reasons for such finding; and (2) the  
1051 Governor approves such finding, in writing.

1052 (p) Nothing in this section shall be construed to apply to  
1053 procurements that involve the expenditure of federal assistance or  
1054 federal contract funds, provided federal law provides applicable  
1055 procurement procedures that are inconsistent with the requirements of  
1056 this section.

1057 Sec. 517. (NEW) (*Effective January 1, 2010*) (a) Except as otherwise  
1058 provided, the provisions of sections 516 to 547, inclusive, of this act  
1059 shall apply to all contracts solicited or entered into by state contracting  
1060 agencies after the effective date of this section.

1061 (b) Except as otherwise provided, the provisions of sections 516 to  
1062 547, inclusive, of this act shall apply to every expenditure of public  
1063 funds by any state contracting agency, irrespective of their source,  
1064 involving any state contracting and procurement processes, including,  
1065 but not limited to, leasing and property transfers, purchasing or  
1066 leasing of supplies, materials or equipment, consultant or consultant  
1067 services, personal service agreements, purchase of service agreements  
1068 or privatization contracts, as defined in section 501 of this act, and,  
1069 relating to contracts for the construction, reconstruction, alteration,  
1070 remodeling, repair or demolition of any public building, bridge or  
1071 road.

1072 (c) Nothing in sections 516 to 547, inclusive, of this act, shall be  
1073 construed to require the application of procurement statutes or  
1074 regulations to a procurement that involves the expenditure of federal  
1075 assistance or federal contract funds if federal law provides  
1076 procurement procedures applicable to the expenditure of such funds,  
1077 to the extent such federal procedures are inconsistent with state  
1078 procurement statutes or regulations.

1079 Sec. 518. (NEW) (*Effective January 1, 2010*) For the purpose of  
1080 obtaining supplies, materials, equipment or contractual services,  
1081 except infrastructure facilities, the Commissioner of Administrative  
1082 Services shall establish a requisition system to be used by state  
1083 contracting agencies to initiate and authorize the procurement process.  
1084 Such system shall be approved by the State Contracting Standards  
1085 Board.

1086 Sec. 519. (NEW) (*Effective June 1, 2009*) (a) All purchases of, and  
1087 contracts for, supplies, materials, equipment and contractual services  
1088 by any state contracting agency, except purchases and contracts made  
1089 pursuant to the provisions of section 523 of this act, shall be awarded  
1090 by one of the following methods, unless otherwise authorized by law:

1091 (1) Competitive sealed bidding;

1092 (2) Competitive sealed proposals;

1093 (3) Small purchase procedure;

1094 (4) Sole source procurement;

1095 (5) Emergency procurements; or

1096 (6) Waiver of bid or proposal requirement for extraordinary  
1097 conditions.

1098 (b) Not later than June 1, 2010, the State Contracting Standards  
1099 Board shall adopt regulations, in accordance with the provisions of  
1100 chapter 54 of the general statutes, to define each of the methods listed

1101 in subsection (a) of this section, establish the circumstances in which  
1102 each such method shall be used by state contracting agencies, and  
1103 establish the processes and criteria by which purchases and contracts  
1104 shall be awarded in accordance with each such method.

1105 Sec. 520. (NEW) (*Effective October 1, 2008*) (a) Not later than January  
1106 1, 2010, the State Contracting Standards Board shall adopt regulations,  
1107 in accordance with the provisions of chapter 54 of the general statutes,  
1108 specifying the procedure for issuing invitations for bids which shall  
1109 include the required elements of an invitation for bids, the process for  
1110 opening of bids, and criteria for the evaluation and award of bids.

1111 (b) Not later than January 1, 2010, the State Contracting Standards  
1112 Board, in consultation with the Commissioner of Administrative  
1113 Services shall adopt regulations, in accordance with the provisions of  
1114 chapter 54 of the general statutes, specifying the circumstances in  
1115 which contracts and purchase orders, in an amount in excess of fifty  
1116 thousand dollars, may be awarded by a method of source selection  
1117 other than competitive sealed bidding.

1118 Sec. 521. (NEW) (*Effective October 1, 2008*) (a) Not later than July 1,  
1119 2009, the State Contracting Standards Board, in consultation with the  
1120 Department of Administrative Services, shall adopt regulations to  
1121 establish small purchase procedures for procurements that do not  
1122 exceed fifty thousand dollars. Such regulations shall include a  
1123 prohibition on the artificial division of a procurement in order to make  
1124 use of such small procurement procedures.

1125 (b) The State Contracting Standards Board, in consultation with the  
1126 Commissioner of Administrative Services, may determine that a state  
1127 contracting agency has artificially divided procurement requirements  
1128 so as to constitute a small purchase under this section and, upon such  
1129 determination shall prohibit the state contracting agency from utilizing  
1130 such small purchase procedures.

1131 (c) The State Contracting Standards Board, in consultation with the  
1132 Commissioner of Administrative Services, may waive the requirement

1133 of competitive bidding or competitive negotiation in the case of minor,  
1134 nonrecurring or emergency purchases of ten thousand dollars or less  
1135 in amount.

1136 Sec. 522. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1137 2010, the State Contracting Standards Board, in consultation with the  
1138 Commissioner of Administrative Services, shall adopt regulations, in  
1139 accordance with the provisions of chapter 54 of the general statutes,  
1140 specifying the circumstances in which a contract may be awarded for a  
1141 supply, service or construction item without competition. Such  
1142 regulations shall include, but not be limited to, situations in which an  
1143 agency contracting officer states in writing that there is only one source  
1144 for the required supply, service or construction item, provided sole  
1145 source procurement is not permitted unless a requirement is available  
1146 from only a single supplier.

1147 Sec. 523. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1148 2010, the State Contracting Standards Board, in accordance with the  
1149 provisions of chapter 54 of the general statutes, shall adopt regulations  
1150 establishing procedures for waiver of competitive bid or proposal  
1151 requirements.

1152 Sec. 524. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1153 2010, the State Contracting Standards Board, in consultation with the  
1154 Commissioner of Administrative Services and any other appropriate  
1155 award authority, shall adopt regulations, in accordance with the  
1156 provisions of chapter 54 of the general statutes, permitting emergency  
1157 procurements when there exists a threat to public health, welfare or  
1158 safety. Such emergency procurements shall be made with competition,  
1159 as is practicable under the circumstances. Said regulations shall require  
1160 that a written determination of the basis for the emergency and for the  
1161 selection of the particular contractor be included in the contract file  
1162 and transmitted to the Governor, the president pro tempore of the  
1163 Senate, the majority and minority leaders of the Senate, the speaker of  
1164 the House of Representatives and the majority and minority leaders of  
1165 the House of Representatives.

1166       Sec. 525. (NEW) (*Effective October 1, 2008*) A state contracting agency  
1167 may request factual information reasonably available to the bidder or  
1168 proposer to substantiate that the price or cost offered, or some portion  
1169 of it, is reasonable.

1170       Sec. 526. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1171 2010, the State Contracting Standards Board, in consultation with the  
1172 Commissioner of Administrative Services, shall adopt regulations, in  
1173 accordance with the provisions of chapter 54 of the general statutes,  
1174 establishing standards for the preparation, maintenance, and content  
1175 of specifications for supplies, services, and construction required by  
1176 the state.

1177       Sec. 527. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1178 2010, the State Contracting Standards Board, in consultation with the  
1179 Attorney General, shall adopt regulations, in accordance with the  
1180 provisions of chapter 54 of the general statutes, specifying the types of  
1181 contracts that may be used by state contracting agencies. Such  
1182 regulations shall specify that a cost-reimbursement contract may be  
1183 used only when a determination is made in writing by the Agency  
1184 Procurement Officer that such contract is likely to be less costly to the  
1185 state than any other type or that it is impracticable to obtain the  
1186 supplies, services or construction required except under such a  
1187 contract.

1188       Sec. 528. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1189 2010, the State Contracting Standards Board shall adopt regulations, in  
1190 accordance with the provisions of chapter 54 of the general statutes,  
1191 requiring that contractors submit appropriate documentation to the  
1192 appropriate state contracting agency, prior to the award of a contract,  
1193 to confirm that the proposed contractor's accounting system will  
1194 permit timely development of all necessary cost data in the form  
1195 required by the specific contract type.

1196       Sec. 529. (NEW) (*Effective October 1, 2008*) Each contract of a state  
1197 contracting agency shall provide that a state contracting agency may,

1198 at reasonable times, inspect the part of the plant or place of business of  
1199 a contractor or any subcontractor which is related to the performance  
1200 of any contract awarded, or to be awarded by the state, to ensure  
1201 compliance with the contract.

1202 Sec. 530. (NEW) (*Effective October 1, 2008*) A state contracting agency  
1203 may audit the books and records of a contractor or any subcontractor  
1204 under any negotiated contract or subcontract to the extent that such  
1205 books and records relate to the performance of such contract or  
1206 subcontract. Such books and records shall be maintained by the  
1207 contractor for a period of three years from the date of final payment  
1208 under the prime contract and by the subcontractor for a period of three  
1209 years from the expiration of the subcontract.

1210 Sec. 531. (NEW) (*Effective October 1, 2008*) When, for any reason,  
1211 collusion or other anticompetitive practices are suspected among any  
1212 bidders or proposers for a state contract, a notice of the relevant facts  
1213 shall be transmitted to the Attorney General by any affected party,  
1214 including, but not limited to, the state contracting agency, a bidder or a  
1215 proposer.

1216 Sec. 532. (NEW) (*Effective October 1, 2008*) Each state contracting  
1217 agency shall retain and dispose of all procurement records in  
1218 accordance with records retention guidelines and schedules approved  
1219 by the Public Records Administrator.

1220 Sec. 533. (NEW) (*Effective January 1, 2010*) The Agency Procurement  
1221 Officer of each state contracting agency shall maintain a record that  
1222 lists all contracts awarded pursuant to section 521 and the regulations  
1223 adopted under section 523 of this act for a minimum of five years after  
1224 the date of any such award. Such record shall contain:

1225 (1) Each contractor's name;

1226 (2) The amount and type of each contract; and

1227 (3) A listing of the supplies, services or construction procured under

1228 each contract.

1229 Sec. 534. (NEW) (*Effective January 1, 2010*) (a) After reasonable notice  
1230 and hearing and consultation with the relevant state contracting  
1231 agency and the Attorney General, the State Contracting Standards  
1232 Board, acting through a subcommittee of three members, appointed by  
1233 the chairperson, which subcommittee shall include not less than one  
1234 legislative appointee, may disqualify any contractor, bidder or  
1235 proposer, for a period of not more than five years, from bidding on,  
1236 applying for or participating as a contractor or subcontractor under,  
1237 contracts with the state. Such disqualification shall be upon the vote of  
1238 two-thirds of the members of the subcommittee present and voting for  
1239 that purpose. Such hearing shall be conducted in accordance with the  
1240 provisions of chapter 54 of the general statutes. The subcommittee  
1241 shall issue a written recommendation not later than sixty days after the  
1242 conclusion of such hearing, and shall state the reason for the  
1243 recommended action and, if the disqualification is recommended, the  
1244 period of time the contractor, bidder or proposer shall be disqualified.  
1245 In determining whether to disqualify a contractor, bidder or proposer,  
1246 the subcommittee shall consider the seriousness of the acts or  
1247 omissions of the contractor, bidder or proposer and any mitigating  
1248 factors. Such recommendation shall be submitted to the board for  
1249 action and sent to the contractor by certified mail, return receipt  
1250 requested. If disqualification is recommended, the contractor shall  
1251 have thirty days to submit comments to the board. Upon receipt of the  
1252 proposed recommendation by the subcommittee, the board shall issue  
1253 a written decision either adopting, rejecting or modifying the  
1254 subcommittee's recommendation. Such decision shall be issued not  
1255 later than thirty days after receipt by the board of the contractor's  
1256 comments, if any. The board shall send the decision to the contractor  
1257 by certified mail, return receipt requested. The written decision shall  
1258 be a final decision for purposes of sections 4-180 and 4-183 of the  
1259 general statutes.

1260 (b) Causes for such disqualification shall include the following:

1261 (1) Conviction of, or entry of a plea of guilty or nolo contendere or  
1262 admission to, the commission of a criminal offense as an incident to  
1263 obtaining or attempting to obtain a public or private contract or  
1264 subcontract, or in the performance of such contract or subcontract;

1265 (2) Conviction of, or entry of a plea of guilty or nolo contendere or  
1266 admission to, the violation of any state or federal law for  
1267 embezzlement, theft, forgery, bribery, falsification or destruction of  
1268 records, receiving stolen property or any other offense indicating a  
1269 lack of business integrity or business honesty which affects  
1270 responsibility as a state contractor;

1271 (3) Conviction of, or entry of a plea of guilty or nolo contendere or  
1272 admission to, a violation of any state or federal antitrust, collusion or  
1273 conspiracy law arising out of the submission of bids or proposals on a  
1274 public or private contract or subcontract;

1275 (4) Accumulation of two or more suspensions pursuant to section  
1276 535 of this act within a twenty-four-month period;

1277 (5) A wilful, grossly negligent or reckless failure to perform in  
1278 accordance with the terms of one or more contracts or subcontracts,  
1279 agreements or transactions with state contracting agencies;

1280 (6) A history of failure to perform or of unsatisfactory performance  
1281 on one or more public contracts, agreements or transactions with state  
1282 contracting agencies;

1283 (7) A wilful violation of a statutory or regulatory provision or  
1284 requirement applicable to a contract, agreement or transaction with  
1285 state contracting agencies;

1286 (8) A wilful or egregious violation of the ethical standards set forth  
1287 in sections 1-84 and 1-86e of the general statutes, as determined by the  
1288 Citizen's Ethics Advisory Board; or

1289 (9) Any other cause or conduct the board determines to be so  
1290 serious and compelling as to affect responsibility as a state contractor,

1291 including, but not limited to:

1292 (A) Disqualification by another state for cause;

1293 (B) The fraudulent or criminal conduct of any officer, director,  
1294 shareholder, partner, employee or other individual associated with a  
1295 contractor, bidder or proposer of such contractor, bidder or proposer,  
1296 provided such conduct occurred in connection with the individual's  
1297 performance of duties for or on behalf of such contractor, bidder or  
1298 proposer and such contractor, bidder or proposer knew or had reason  
1299 to know of such conduct;

1300 (C) The existence of an informal or formal business relationship  
1301 with a contractor who has been disqualified from bidding or  
1302 proposing on state contracts of any state contracting agency.

1303 (c) Upon written request by the affected state contractor, bidder or  
1304 proposer, the State Contracting Standards Board may reduce the  
1305 period or extent of disqualification for a contractor, bidder or proposer  
1306 if documentation supporting any of the following reasons for  
1307 modification is provided to the board by the contractor, bidder or  
1308 proposer:

1309 (1) Newly discovered material evidence;

1310 (2) Reversal of the conviction upon which the disqualification was  
1311 based;

1312 (3) Bona fide change in ownership or management; or

1313 (4) Elimination of other causes for which the disqualification was  
1314 imposed.

1315 Sec. 535. (NEW) (*Effective January 1, 2010*) (a) After reasonable notice  
1316 and a hearing, conducted in accordance with the provisions of chapter  
1317 54 of the general statutes, the department head of any state contracting  
1318 agency may suspend any contractor, bidder or proposer for a period of  
1319 not more than six months from bidding on, applying for or performing

1320 work as a contractor or subcontractor under, contracts with the state.  
1321 The department head shall issue a written decision not later than  
1322 ninety days after the conclusion of such hearing and state in the  
1323 decision the reasons for the action taken and, if the contractor, bidder  
1324 or proposer is being suspended, the period of such suspension. In  
1325 determining whether to suspend a contractor, bidder or proposer, the  
1326 department head shall consider the seriousness of the acts or omissions  
1327 of the contractor, bidder or proposer and any mitigating factors. The  
1328 department head shall send such decision to the contractor and the  
1329 State Contracting Standards Board by certified mail, return receipt  
1330 requested. Such decision shall be a final decision for purposes of  
1331 sections 4-180 and 4-183 of the general statutes.

1332 (b) Causes for such suspension shall include the following:

1333 (1) Failure without good cause to perform in accordance with  
1334 specifications or within the time limits provided in the contract;

1335 (2) A record of failure to perform or of unsatisfactory performance  
1336 in accordance with the terms of one or more contracts, provided failure  
1337 to perform or unsatisfactory performance caused by acts beyond the  
1338 control of the contractor shall not be considered to be a basis for  
1339 suspension;

1340 (3) Any cause the complainant state contracting agency determines  
1341 to be so serious and compelling as to affect the responsibility of a state  
1342 contractor, including suspension by another state contracting agency  
1343 for cause; or

1344 (4) A violation of the ethical standards set forth in section 1-84, 1-86e  
1345 or 1-101nn of the general statutes, as determined by the Citizen's Ethics  
1346 Advisory Board.

1347 (c) The State Contracting Standards Board may grant an exception  
1348 permitting a suspended contractor to participate in a particular  
1349 contract or subcontract upon a written determination by the Board that  
1350 there is good cause for such exception and that such exception is in the

1351 best interest of the state.

1352 (d) The department head of each state contracting agency shall  
1353 conduct reviews of contractors and shall file reports pertaining to any  
1354 of the reasons set forth in this section that may be the basis for  
1355 suspension.

1356 Sec. 536. (NEW) (*Effective January 1, 2010*) (a) Any bidder or  
1357 proposer on a state contract may contest the solicitation or award of a  
1358 contract to a subcommittee of the State Contracting Standards Board  
1359 which shall be appointed by the chairperson of the board and consist  
1360 of three members, at least one of whom shall be a legislative appointee.  
1361 Such contest shall be submitted, in writing, not later than fourteen  
1362 days after such bidder or proposer knew or should have known of the  
1363 facts giving rise to such contest and shall be limited to the procedural  
1364 elements of the solicitation or award process, or claims of an  
1365 unauthorized or unwarranted, noncompetitive selection process.

1366 (b) The filing of a contest pursuant to this section shall not, alone, be  
1367 deemed to prohibit the award or execution of any such contested  
1368 contract.

1369 (c) The assigned subcommittee of the State Contracting Standards  
1370 Board may settle and resolve any such contest.

1371 (d) In the event such contest is not resolved by mutual agreement,  
1372 the assigned subcommittee of the State Contracting Standards Board  
1373 shall issue a decision, in writing, not later than thirty days after receipt  
1374 of any such contest. Such decision shall:

1375 (1) Describe the procedure used by such agency in soliciting and  
1376 awarding such contract;

1377 (2) Indicate such agency's finding as to the merits of such bidder or  
1378 proposer's contest; and

1379 (3) Inform such bidder or proposer of the right to review.

1380 (e) A copy of such decision shall be provided to such bidder or  
1381 proposer.

1382 Sec. 537. (NEW) (*Effective January 1, 2010*) (a) Any contractor, bidder  
1383 or proposer may appeal a decision issued by a department head,  
1384 pursuant to section 536 of this act, to the State Contracting Standards  
1385 Board.

1386 (b) Any such appeal shall be filed with the board not later than  
1387 fourteen days after such contractor, bidder or proposer receives a  
1388 decision issued pursuant to section 536 of this act. Such bidder or  
1389 proposer shall set forth the facts supporting its claim in sufficient  
1390 detail for the State Contracting Standards Board to determine whether  
1391 the procedural elements of the solicitation or award failed to comply  
1392 with the code or whether an unauthorized or unwarranted,  
1393 noncompetitive selection process was utilized.

1394 (c) Any appeal filed pursuant to subsection (b) of this section shall  
1395 not be deemed to prohibit the award or execution of any such  
1396 contested contract.

1397 (d) The State Contracting Standards Board shall create a three-  
1398 member appeals review subcommittee, one of whom shall be a  
1399 legislative appointment, which shall review any request filed pursuant  
1400 to subsection (b) of this section and decide whether such solicitation or  
1401 award was in compliance with the statutes and regulations concerning  
1402 procurement, and whether allegations of an unauthorized or  
1403 unwarranted, noncompetitive selection process have been  
1404 demonstrated. A unanimous vote of such subcommittee shall be  
1405 dispositive of any such appeal. A split vote of such subcommittee shall  
1406 result in a review of the appeal by the full membership of the board  
1407 which, by a vote of two-thirds of its members present and voting for  
1408 such purpose, shall decide whether the solicitation or award of such  
1409 contract was in compliance with the statutes and regulations  
1410 concerning procurement and whether allegations of an unauthorized  
1411 or unwarranted, noncompetitive selection process have been

1412 demonstrated.

1413 (e) Such appeals review subcommittee shall issue a written decision  
1414 or take other appropriate action on each appeal not later than ninety  
1415 days after the filing of such appeal. A written copy of any such  
1416 decision shall be provided to such bidder.

1417 (f) In the event of an appeal review by the full board, the board shall  
1418 issue a written decision or take other appropriate action on such  
1419 appeal not later than ninety days after receipt of the appeal from the  
1420 appeals review subcommittee. A written copy of any such decision  
1421 shall be provided to such bidder or proposer.

1422 (g) In the event that the appeals review subcommittee or the board  
1423 determines that a procedural violation occurred, or that allegations of  
1424 an unauthorized or unwarranted, noncompetitive selection process  
1425 have been substantiated, the board shall direct the state contracting  
1426 agency to take corrective action not later than thirty days after the date  
1427 of the subcommittee's or board's decision, as applicable.

1428 (h) In the event such appeal is found to be frivolous by the appeals  
1429 review subcommittee or the full board, such frivolous appeal may  
1430 serve as a basis for disqualification pursuant to section 534 of this act.

1431 (i) Any three members of the board may request a full board review  
1432 of any contract deliberation or award process of a state contracting  
1433 agency.

1434 (j) A decision issued by the board or appeals review subcommittee  
1435 under this section shall be final and not subject to appeal under  
1436 sections 4-180 and 4-183 of the general statutes.

1437 Sec. 538. (NEW) (*Effective January 1, 2010*) The State Contracting  
1438 Standards Board shall issue a decision in writing or take other  
1439 appropriate action on each appeal submitted pursuant to section 537 of  
1440 this act. A copy of any decision shall be provided to all parties, the  
1441 department head of the state contracting agency and the Chief

1442 Procurement Officer.

1443 Sec. 539. (NEW) (*Effective January 1, 2010*) If, prior to award, it is  
1444 determined by the State Contracting Standards Board that a  
1445 solicitation or proposed award of a contract by a state contracting  
1446 agency is in violation of law, then the solicitation or proposed award  
1447 shall be:

1448 (1) Cancelled; or

1449 (2) Revised to comply with the law.

1450 Sec. 540. (NEW) (*Effective January 1, 2010*) (a) If, after an award, it is  
1451 determined by the State Contracting Standards Board that a  
1452 solicitation or award of a contract by a state contracting agency is in  
1453 violation of law:

1454 (1) If the person awarded the contract did not act in bad faith:

1455 (A) The contract may be ratified and affirmed by the state  
1456 contracting agency, provided it is determined by the board that doing  
1457 so is in the best interests of the state; or

1458 (B) The contract may be terminated and the person awarded the  
1459 contract shall be compensated for the actual expenses reasonably  
1460 incurred under the contract, plus a reasonable profit, prior to the  
1461 termination.

1462 (2) If the person awarded the contract acted in bad faith:

1463 (A) The contract may be declared null and void; or

1464 (B) The contract may be ratified and affirmed if such action is in the  
1465 best interests of the state, as determined by the State Contracting  
1466 Standards Board, in writing, without prejudice to the state's right to  
1467 such damages as may be appropriate.

1468 Sec. 541. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1469 2010, the State Contracting Standards Board shall adopt regulations, in

1470 accordance with the provisions of chapter 54 of the general statutes,  
1471 that specify the process that shall be used to procure architectural and  
1472 engineering services in design-bid-build procurements, construction in  
1473 design-bid-build procurements and construction management at-risk.  
1474 Such regulations shall include a description of the project delivery  
1475 methods.

1476 Sec. 542. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1477 2010, the State Contracting Standards Board shall adopt regulations, in  
1478 accordance with the provisions of chapter 54 of the general statutes,  
1479 that require bid security for all competitive sealed bidding for  
1480 construction contracts in a design-bid-build procurement when the  
1481 price is estimated by the state contracting agency to exceed five  
1482 hundred thousand dollars.

1483 Sec. 543. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1484 2010, the State Insurance and Risk Management Board established  
1485 pursuant to section 4a-19 of the general statutes shall adopt  
1486 regulations, in accordance with the provisions of chapter 54 of the  
1487 general statutes, in consultation with the State Contracting Standards  
1488 Board, that specify when a state contracting agency shall require  
1489 proposers to provide appropriate errors and omissions insurance to  
1490 cover architectural and engineering services under the project delivery  
1491 methods established in regulations adopted pursuant to section 541 of  
1492 this act.

1493 Sec. 544. (*Effective October 1, 2008*) Not later than January 1, 2010, the  
1494 State Contracting Standards Board shall adopt regulations, in  
1495 accordance with the provisions of chapter 54 of the general statutes, to  
1496 establish the process to be used to procure consultant services, and in  
1497 consultation with the Attorney General, the type of contract to be used  
1498 to procure such consultant services.

1499 Sec. 545. (NEW) (*Effective October 1, 2008*) With respect to  
1500 infrastructure facilities, not later than January 1, 2010, the State  
1501 Contracting Standards Board, in consultation with the state contracting

1502 agencies and the Attorney General, shall adopt regulations, in  
1503 accordance with the provisions of chapter 54 of the general statutes,  
1504 requiring the inclusion in state contracts with any state contracting  
1505 agency of clauses providing for adjustments in prices, time of  
1506 performance, remedies, termination or other contract provisions  
1507 necessary to protect the interests of the state.

1508       Sec. 546. (NEW) (*Effective October 1, 2008*) Not later than January 1,  
1509 2010, the State Contracting Standards Board shall adopt regulations, in  
1510 accordance with the provisions of chapter 54 of the general statutes,  
1511 concerning the procedure and circumstances under which a state  
1512 agency may allow contract modification, change order, or contract  
1513 price adjustment under a construction contract with the state in excess  
1514 of fifty thousand dollars. Such regulations shall require that every  
1515 contract modification, change order or contract price adjustment under  
1516 a construction contract with the state in excess of fifty thousand dollars  
1517 shall be subject to prior written certification by the fiscal officer of the  
1518 state contracting agency or other agency responsible for funding the  
1519 project or the contract, or other official responsible for monitoring and  
1520 reporting upon the status of the costs of the total project budget or  
1521 contract budget, as to the effect of the contract modification, change  
1522 order, or adjustment in contract price on the total project budget or the  
1523 total contract budget. Such regulations shall further provide that in the  
1524 event the certification of the fiscal officer or other responsible official  
1525 discloses a resulting increase in the total project budget or the total  
1526 contract budget, the Agency Procurement Officer shall not execute or  
1527 make such contract modification, change order, or adjustment in  
1528 contract price unless sufficient funds are available or the scope of the  
1529 project or contract is adjusted so as to permit the degree of completion  
1530 that is feasible within the total project budget or total contract budget  
1531 as it existed prior to the contract modification, change order, or  
1532 adjustment in contract price under consideration provided, with  
1533 respect to the validity, as to the contractor, of any executed contract  
1534 modification, change order, or adjustment in contract price which the  
1535 contractor has reasonably relied upon, it shall be presumed that there

1536 has been compliance with the provisions of this section.

1537 Sec. 547. (NEW) (*Effective October 1, 2008*) On or after July 1, 2010,  
 1538 the State Contracting Standards Board shall adopt regulations, in  
 1539 accordance with the provisions of chapter 54 of the general statutes, to  
 1540 apply the contracting procedures, as described in sections 518 to 545,  
 1541 inclusive, of this act, to each constituent unit of the state system of  
 1542 higher education. Such regulations shall take into consideration  
 1543 circumstances and factors that are unique to such constituent units.

1544 Sec. 548. (*Effective July 1, 2008*) The sum of eight hundred thousand  
 1545 dollars shall be transferred from the Department of Labor's Workforce  
 1546 Investment Act account for the purposes of sections 501 to 547,  
 1547 inclusive, of this act.

1548 Sec. 549. (*Effective July 1, 2008*) The State Contracting Standards  
 1549 Board shall transfer to the Comptroller an amount, as determined by  
 1550 the Comptroller, for the purpose of state employee fringe benefits.

1551 Sec. 550. (*Effective July 1, 2008*) The sum of seven hundred thousand  
 1552 dollars is appropriated to the State Contracting Standards Board, from  
 1553 the General Fund, for the fiscal year ending June 30, 2009, for the  
 1554 purpose of carrying out the duties of the State Contracting Standards  
 1555 Board, as established in sections 503 to 547, inclusive, of this act.

1556 Sec. 551. Sections 1 to 48, inclusive, of senate bill 1600 of the 2007  
 1557 September special session are repealed. (*Effective from passage*)"

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>October 1, 2008</i>	New section
Sec. 502	<i>from passage</i>	New section
Sec. 503	<i>October 1, 2008</i>	New section
Sec. 504	<i>October 1, 2008</i>	New section
Sec. 505	<i>October 1, 2008</i>	New section
Sec. 506	<i>October 1, 2010</i>	New section
Sec. 507	<i>October 1, 2010</i>	New section

Sec. 508	<i>October 1, 2008</i>	New section
Sec. 509	<i>October 1, 2008</i>	New section
Sec. 510	<i>October 1, 2008</i>	New section
Sec. 511	<i>October 1, 2008</i>	New section
Sec. 512	<i>October 1, 2008</i>	New section
Sec. 513	<i>October 1, 2008</i>	New section
Sec. 514	<i>October 1, 2008</i>	New section
Sec. 515	<i>October 1, 2008</i>	New section
Sec. 516	<i>January 1, 2009</i>	New section
Sec. 517	<i>January 1, 2010</i>	New section
Sec. 518	<i>January 1, 2010</i>	New section
Sec. 519	<i>June 1, 2009</i>	New section
Sec. 520	<i>October 1, 2008</i>	New section
Sec. 521	<i>October 1, 2008</i>	New section
Sec. 522	<i>October 1, 2008</i>	New section
Sec. 523	<i>October 1, 2008</i>	New section
Sec. 524	<i>October 1, 2008</i>	New section
Sec. 525	<i>October 1, 2008</i>	New section
Sec. 526	<i>October 1, 2008</i>	New section
Sec. 527	<i>October 1, 2008</i>	New section
Sec. 528	<i>October 1, 2008</i>	New section
Sec. 529	<i>October 1, 2008</i>	New section
Sec. 530	<i>October 1, 2008</i>	New section
Sec. 531	<i>October 1, 2008</i>	New section
Sec. 532	<i>October 1, 2008</i>	New section
Sec. 533	<i>January 1, 2010</i>	New section
Sec. 534	<i>January 1, 2010</i>	New section
Sec. 535	<i>January 1, 2010</i>	New section
Sec. 536	<i>January 1, 2010</i>	New section
Sec. 537	<i>January 1, 2010</i>	New section
Sec. 538	<i>January 1, 2010</i>	New section
Sec. 539	<i>January 1, 2010</i>	New section
Sec. 540	<i>January 1, 2010</i>	New section
Sec. 541	<i>October 1, 2008</i>	New section
Sec. 542	<i>October 1, 2008</i>	New section
Sec. 543	<i>October 1, 2008</i>	New section
Sec. 544	<i>October 1, 2008</i>	New section
Sec. 545	<i>October 1, 2008</i>	New section
Sec. 546	<i>October 1, 2008</i>	New section
Sec. 547	<i>October 1, 2008</i>	New section

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Sec. 548	<i>July 1, 2008</i>	New section
Sec. 549	<i>July 1, 2008</i>	New section
Sec. 550	<i>July 1, 2008</i>	New section
Sec. 551	<i>from passage</i>	Repealer section